

Economy of scale and production of rejects in the production planning model

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Abstract

© 2015, Mediterranean Center of Social and Educational Research. All rights reserved. The article presents an economic-mathematical model of production planning that takes into account the effect of economies of scale of production and release of defective products. Proposed new modified methods and algorithms for production planning model that takes into account the influence of several factors on profit maximization. Assessed the effectiveness of the results of applying mathematical apparatus for production planning model that takes into account the economies of scale of production and a certain percentage of defects of products.

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Keywords

Economies of scale of production, Given accuracy, Optimal strategy, Penalty function, Support function, Total expenses